

Select Committee on High Speed Internet Access in Rural and Urban Areas
Outline of e-mails sent to the Subcommittee on Public/Private Partnership

- Deployment of broadband infrastructure to serve consumers in areas of North Carolina where there are no broadband service providers or only one option for broadband services. The goal should be in as many places as possible to have competition for the consumer.
 - Networks should be “technology neutral”
 - Terrestrial (Hard wired DSL or Cable) and/or wide area reach Wireless (Wi-Max, 3G, 365, etc)
- Incentives
 - Incent the private providers who have networks already in place
 - Combination of incentive dollars from County Govt/State Govt and Private providers
 - Tax credits to private sector
 - Bill pending in the Wisconsin legislature. Other states have adopted this type of approach
 - Public and private sector should work together to structure incentives for increased broadband uptake (increased consumer demand [take rate])
 - Creative incentives (life line link-up for broadband or Title One Education funds being used for broadband) to subsidize new subscribers and/or increased education and advertising of the benefits of broadband subscription
- Use of local funds
 - Use local funds to partner with private providers to deploy service
 - Local government to invest in the build-out by the private provider
 - Do not build redundant infrastructure in competition with private business
 - Put together a RFP that would be responded to by private providers
 - Public investments could be either or both of
 - Direct incentives to service providers to serve homes in a region (last – mile)
 - Pool of funds available to allow for the hiring of technical experts in counties
- Building out back haul infrastructure (middle mile) and co-location (repeater) sites that the private sector can access at inexpensive rates (defined as at least 30% below current market rate).
- Develop public policy, a strong and enforceable preference for build-out by private industry
 - Private industry must be offered the first opportunity to provide service in unserved / underserved areas.
 - Requests for service should be based on demonstrable community need.
 - Cities should be discouraged from building broadband infrastructure that is redundant with infrastructure currently in place. (NC law needs to be amended consistent with this principle.)
- Importance of broadband access
 - Drive economic development
 - Education
 - Life-line link-up

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Inventory Successful Public-Private Partnerships That Have Been Employed To Date in NC

- e-NC has provided matching grants to private providers to deploy broadband services-Caswell, Cherokee, Duplin, Gates, Graham, Greene, Jones, Pamlico, Tyrrell, and Warren counties
 - Highlights from the most recent e-NC Grant Program
 - CenturyLink's Application was to equip 36 new locations across the 4 counties
 - CenturyLink's Matching Investment = \$964,000 Awarded \$693,000 for a total investment of \$1.65M
 - Provided HSI access to an additional 5K access lines that otherwise would not have access today.
 - Highlights from the 2007 e-NC Grant Program
 - A \$1.21M matching grant was awarded to CenturyLink to provide HSI service to four counties in North Carolina. (CenturyLink investment \$1.25M)
 - Project included 60 sites within Gates, Warren, Jones and Greene Counties
 - Availability in these very rural counties now range from **75% to 90%** for access lines served by CenturyLink
 - Partnership with the Bertie County School System.
 - CenturyLink High-Speed Internet service available to more than 1,400 student households.
 - Residents and businesses will also benefit due to the high-speed Internet expansion.
 - Approximately 86 percent of CenturyLink's phone lines in Bertie County will have access to CenturyLink's High-Speed Internet by the end of 2010.
- Public-private partnerships where partners shared infrastructure
 - The e-NC Authority and Advantage West
 - Additional Partners: French Broad Electric Membership Corporation, Country Cable Vision, the Education and Research Consortium of Western Carolina, Mountain Area Information Network
- Public-private partnerships where private investment joined public investment and foundation investment in a broadband partnership
 - Primary partners: The e-NC Authority, the Golden Leaf Foundation, Albemarle Pamlico Economic Development Corporation, University Health Systems of East Carolina University and Sprint (now CenturyLink)
- Public-private partnerships where government is matching private investment with public dollars
 - Primary Partners: the e-NC Authority, Embarq (now CenturyLink) and Verizon Corporation